

House File 784 - Introduced

HOUSE FILE _____
BY COMMITTEE ON TRANSPORTATION
(SUCCESSOR TO HF 654)

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to the surveying of unused highway right-of-way
2 to be sold by the department of transportation.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
4 TLSB 2345HV 83
5 dea/sc/14

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1 1 Section 1. Section 306.22, Code 2009, is amended to read
1 2 as follows:
1 3 306.22 SALE OF UNUSED RIGHT-OF-WAY.
1 4 1. When title to any tract of land has been or may be
1 5 acquired for the construction or improvement of any highway,
1 6 and when in the judgment of the agency in control of the
1 7 highway, the tract will not be used in connection with or for
1 8 the improvement, maintenance, or use of the highway, the
1 9 agency in control of the highway may sell the tract for cash.
1 10 2. The department may contract for the sale of any tract
1 11 of land subject to the following terms and conditions:
1 12 ~~1- a.~~ The discounted present market value of the contract
1 13 offer, including the cash down payment, shall exceed one
1 14 hundred ten percent of the highest cash offer submitted for
1 15 the tract if a cash offer is received. The discount rate
1 16 shall be the rate of interest stated in the contract.
1 17 ~~2- b.~~ The cash down payment shall be equal to or in
1 18 excess of five percent of the total purchase price.
1 19 ~~3- c.~~ The term of the contract shall not exceed ten
1 20 years.
1 21 ~~4- d.~~ The rate of interest stated in the contract shall
1 22 not be less than the prevailing rate of interest charged on
1 23 contract land sales by sellers in the county or general area
1 24 in which the tract of land is located.
1 25 ~~5- e.~~ The department shall advertise for cash bids and
1 26 contract offers before accepting a contract offer.
1 27 ~~6- f.~~ The appraised value of property sold under a land
1 28 contract sale shall be at least five thousand dollars.
1 29 ~~7- g.~~ Any tract of land sold on contract shall be listed
1 30 on the tax rolls by and taxed to the contract purchaser, as
1 31 provided in chapters 428 and 443; assessed and valued as
1 32 provided in chapter 441; taxes levied as provided in chapter
1 33 444; collected as provided in chapter 445; and subject to tax
1 34 sale, redemption, and apportionment of taxes as provided in
1 35 chapters 446 to 449. The contract purchaser shall discharge
2 1 and pay all taxes.
2 2 3. If any tract of land is sold, the sale shall be subject
2 3 to the right of a utility association, company, or corporation
2 4 to continue in possession of a right-of-way in use at the time
2 5 of the sale.
2 6 4. If the department has agreed to the sale of land for
2 7 which a survey is required, the department as grantor may
2 8 allow the purchaser to secure a survey of the land pursuant to
2 9 the requirements of chapter 354, to be recorded by the
2 10 department prior to the transfer of title to the land. The
2 11 department may require that all or a portion of the costs of a
2 12 survey secured by the purchaser be paid by the purchaser.

EXPLANATION

2 14 This bill addresses the sale of unused highway right-of-way
2 15 by the department of transportation. The bill provides that
2 16 if the land to be sold is required to be surveyed, the
2 17 department, as the grantor of the land, may allow the
2 18 purchaser of the land to secure the survey. The survey must

2 19 be made and recorded prior to transfer of title to the land.
2 20 The department may require the purchaser to pay all or a
2 21 portion of the costs of conducting the survey.
2 22 LSB 2345HV 83
2 23 dea/sc/14